



HAND DELIVERY

State & Local Tax Services

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2800 Post Oak Boulevard
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Houston, TX 77056
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www.ryanco.com

COPY

June 8, 2005

Mr. James E. King
Tax Manager
Circuit City Stores, Inc.
9950 Mayland Drive
Richmond, Virginia 23233-1464

Re: Hawaii Import Tax Services

Dear Jed:

Thank you very much for the opportunity to assist you with minimizing the Hawaii import tax liability of Circuit City Stores, Inc. ("Circuit City"). As discussed, this letter (the "Agreement") outlines the terms and conditions of our engagement to assist Circuit City with a Hawaii import tax credit review.

ENGAGEMENT SCOPE

Ryan & Company, Inc. ("Ryan & Company") will assist Circuit City with a review of Circuit City's Hawaii import tax payment records to identify tax refund and/or tax reduction opportunities. Our approach is specifically designed to target tax refund and/or tax reduction opportunities and use these opportunities to reduce Circuit City's Hawaii import tax liability, without significant assistance or effort from personnel at Circuit City. We will perform this service for the following entities and/or locations:

Circuit City Stores, Inc. / Hawaii Operations
Circuit City Stores West Coast, Inc. / Hawaii Operations

Our engagement will include a review of audit exceptions scheduled by the Hawaii Department of Taxation ("DOT") after Circuit City's tax, finance, or accounting department personnel have completed their own internal audit review. Our review of scheduled audit exceptions will begin only after receiving authorization from Circuit City. All requests for refunds, credits, or reductions made by Ryan & Company are subject to Circuit City's approval. Circuit City agrees not to unduly withhold or delay such approval.

EXHIBIT

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ENGAGEMENT PERIOD

Our review will cover all periods open by law through April 29, 2004.

ELECTRONIC DATA FILES

Circuit City agrees to provide electronic data files to Ryan & Company that will facilitate the identification and location of records to be reviewed. Ryan & Company generally utilizes accounts payable and sales and use tax accrual data in text/ASCII files, DBF files, or spreadsheet files. Ryan & Company will assist Circuit City information systems personnel with determining the appropriate system file layouts, required data fields, file types, and transfer media. Any out-of-pocket costs of preparing, modifying, or transferring such data will be the responsibility of Ryan & Company.

RESPONSIBILITIES

This service will be conducted under the supervision of Ms. Trisha C. Fortune, Principal. Mr. Neil Fett, Senior Manager, will serve as project manager for this engagement and will be responsible for staffing, project coordination, technical direction, and related issues. Additionally, throughout the course of this engagement, we will make every effort to arrange and schedule all work to avoid interruption to Circuit City's normal business operations.

COMPENSATION

In the event Ryan & Company obtains any tax refunds, credits, or reductions, Circuit City agrees to pay Ryan & Company and hereby assigns to Ryan & Company, as compensation for this service, thirty-three and one-third percent (33⅓%) of any tax refunds, credits, or reductions, including interest and penalties, that Circuit City receives from taxing authorities and/or vendors. If Circuit City obtains any tax refunds, credits, or reductions using Ryan & Company work products for any other locations, entities, or periods, Circuit City agrees to notify Ryan & Company and pay Ryan & Company as outlined herein.

Circuit City agrees that Ryan & Company has the right to engage legal counsel to represent Circuit City at Ryan & Company's expense, subject to Circuit City's approval. Circuit City further agrees not to unduly withhold such approval. In the event Ryan & Company obtains any refunds, credits, or reductions as a result of an administrative hearing or other legal action, Circuit City agrees to pay Ryan & Company and hereby assigns to Ryan & Company, as compensation for this service, forty percent (40%) of any tax refunds, credits, or reductions, including interest and penalties, that receives as a result of such administrative hearing or other legal action. In the event no tax refunds, credits, or reductions are obtained, no fee will be due.

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Our fee will be invoiced upon verification by the taxing authority, if applicable, and is due and payable within thirty (30) days of receipt of any refunds, credits, or reductions of any audit assessment. Circuit City agrees to pay interest of one and one-half percent (1½ %) per month on any fees remaining unpaid thirty (30) days after the receipt of any refunds, credits, or reductions.

NOTICE

Any notice to be given under this Agreement shall be given in writing and may be effected by personal delivery or hand delivery by courier, by overnight reputable national courier, or by placing such in the United States certified mail, return receipt requested. Notices to Circuit City should be sent to the address indicated on the first page of this Agreement and notices to Ryan & Company should be addressed as follows:

Ryan & Company, Inc.
Three Galleria Tower
13155 Noel Road
12th Floor, LB 72
Dallas, Texas 75240
Attn: Managing Principal

With a copy to:
Ryan & Company, Inc.
Monarch Plaza
3414 Peachtree Road, NE
Suite 950
Atlanta, Georgia 30326
Attn: General Counsel

INTEGRITY & CONFIDENTIALITY

We guarantee that all matters associated with the professional services we render will be directed with the highest degree of professional integrity. Accordingly, all information that Circuit City makes available to Ryan & Company shall be considered confidential, proprietary information and Ryan & Company shall not disclose such information to any third party except as required in fulfilling duties described by this Agreement or to comply with an official order of a court of law.

Additionally, Circuit City agrees that Ryan & Company's work product, including specific engagement procedures, techniques, and tax saving strategies, constitute confidential, proprietary information and Circuit City further agrees not to disclose such information to any third party without obtaining prior written approval from Ryan & Company. This Agreement does not include information independently developed by Circuit City, information previously known to

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Circuit City, or information rightfully received by Circuit City from a third party without confidential limitations.

LAW GOVERNING AGREEMENT

This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any dispute with respect to this Agreement shall reside in a court of competent jurisdiction in Austin, Travis County, Texas.

ACKNOWLEDGMENT

Thank you for the opportunity to assist you with this project. If the above terms and conditions meet with your approval, please sign and return the enclosed copy of this Agreement at your convenience. Upon acceptance, we will contact you to arrange a mutually acceptable time to begin our review. If you have any questions, or if you would like to discuss this Agreement further, please contact Ms. Trisha C. Fortune at 512.476.0022.

RYAN & COMPANY, INC.:

By: MSD/June

Date: June 8, 2005

CIRCUIT CITY STORES, INC.:

By: James E. King

Date: 6/10/05